

(PRE-FILED)

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By: **Chairman, Environmental Matters Committee (By Request -  
Departmental - Agriculture)**

Requested: November 3, 2003

Introduced and read first time: January 14, 2004

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Agricultural Land Preservation Foundation - Arbitration of**  
3 **Easement Values**

4 FOR the purpose of establishing a certain deadline for the arbitration of disputes over  
5 the value of certain easements under the Maryland Agricultural Land  
6 Preservation Foundation; and generally relating to the Maryland Agricultural  
7 Land Preservation Foundation.

8 BY repealing and reenacting, with amendments,  
9 Article - Agriculture  
10 Section 2-511  
11 Annotated Code of Maryland  
12 (1999 Replacement Volume and 2003 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Agriculture**

16 2-511.

17 (a) The maximum value of any easement to be purchased shall be the asking  
18 price or the difference between the fair market value of the land and the agricultural  
19 value of the land, whichever is lower.

20 (b) The fair market value of the land is the price as of the valuation date for  
21 the highest and best use of the property which a vendor, willing but not obligated to  
22 sell, would accept for the property, and which a purchaser, willing but not obligated to  
23 buy, would pay for the property if the property was not subject to any restriction  
24 imposed under this subtitle.

25 (c) The agricultural value of land is the price as of the valuation date which a  
26 vendor, willing but not obligated to sell, would accept for the property, and which a

1 purchaser, willing but not obligated to buy, would pay for the property as a farm unit,  
2 to be used for agricultural purposes.

3 (d) (1) (i) The value of the easement is determined at the time the  
4 Foundation is requested in writing to purchase the easement.

5 (ii) The fair market value shall be determined by the Department of  
6 General Services based on one or more appraisals by the State appraisers, and  
7 appraisals, if any, of the landowner.

8 (iii) The entire contiguous acreage shall be included in the  
9 determination of the value of the easement, less 1 acre per single dwelling; however,  
10 except as provided in § 2-513(b)(2) of this subtitle, the entire contiguous acreage,  
11 including the 1 acre per single dwelling, is subject to the easement restrictions.

12 (2) (i) Subject to subparagraph (ii) of this paragraph, the agricultural  
13 value of land shall be determined by a formula approved by the Department that  
14 measures the farm productivity of the land on which the applicant has applied to sell  
15 an easement by taking into consideration weighted factors that may include rents,  
16 location, soil types, development pressure, interest rates, and potential agricultural  
17 use.

18 (ii) The agricultural value determined under subparagraph (i) of  
19 this paragraph is subject to the approval of the Department.

20 (e) (1) If the landowner and Foundation do not agree on the value of the  
21 easement as determined by the State, either the landowner or the Foundation may  
22 request, NO LATER THAN SEPTEMBER 30 OF THE YEAR FOLLOWING THE  
23 DETERMINATION OF THE VALUE, that the matter be referred to the property tax  
24 assessment appeal board as provided under § 3-107 of the Tax - Property Article, for  
25 arbitration as to the value of the easement.

26 (2) The value determined by that arbitration shall be binding upon the  
27 owner and the Foundation in a purchase of the easement made subsequent to the  
28 arbitration for a period of 2 years, unless the landowner and the Foundation agree  
29 upon a lesser value or the landowner or the Foundation appeals the results of the  
30 arbitration to the Maryland Tax Court, and either party may further appeal from the  
31 Tax Court as provided in § 13-532 of the Tax - General Article.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 2004.